

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** April 16, 2009  
**POSITION:** Neutral  
**SPONSOR:** City of Kingsburg

**BILL NUMBER:** SB 532  
**AUTHOR:** D. Cogdill

### **BILL SUMMARY:** State Highway Route 201: Relinquishment

This bill would allow the California Transportation Commission (CTC) to relinquish to the City of Kingsburg the portion of State Highway Route 201 (SR 201) within its city limits, upon terms and conditions the CTC finds to be in the best interest of the state. The relinquished portion of SR 201 would cease to be part of the state highway system.

### **FISCAL SUMMARY**

This bill would likely result in one-time costs for the Department of Transportation (Caltrans) to bring this section of road into a state of good repair. These costs would depend on a final agreement between the city and Caltrans. No agreement has been reached yet regarding these one-time costs, but this bill would not require Caltrans to go through with this relinquishment if favorable terms are not reached.

This bill would result in a long-term savings to Caltrans for decreased maintenance workload. Caltrans has not identified the savings in maintenance and rehabilitation costs if this section of road is relinquished.

### **COMMENTS**

The Department of Finance has not identified any fiscal or policy concerns with this bill. Relinquishments of portions of the state highway system to local jurisdictions are common and this relinquishment would result in a savings for Caltrans by reducing maintenance costs over the long term.

Current law authorizes the CTC to relinquish certain state highway segments to local agencies provided Caltrans brings them to a state of good repair prior to relinquishing them. Relinquishments of portions of the state highway system to local jurisdictions are common and these relinquishments would result in savings for Caltrans by reducing ongoing maintenance costs. Cities and counties often want to take ownership because they believe that they can do a better job of maintaining the section of road. Caltrans annually sets aside \$12 million of State Highway Operations and Protection Program funding to fund the rehabilitation necessary for relinquishments.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Code
2660/Caltrans	SO	No	----- See Fiscal Summary -----						0042
<u>Fund Code</u>	<u>Title</u>								
0042	Highway Account, State, STF								

Analyst/Principal (0751) M. Tollefson	Date	Program Budget Manager Mark Hill	Date
Department Deputy Director	Date		

Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)